

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 2005-293-E - ORDER NO. 2005-601  
OCTOBER 28, 2005

IN RE: Application of Progress Energy Carolinas,	) ORDER APPROVING
Incorporated for Permission to Sell Land That	) LAND SALE AND
Is No Longer Needed to Provide Utility	) ACCOUNTING
Service.	) TREATMENT

This matter comes before the Public Service Commission of South Carolina (the Commission) on the Application of Progress Energy Carolinas, Inc. (Progress or the Company) for permission to sell land that is no longer needed to provide utility service.

Through purchases made in 1964 and 1989, Progress acquired 236 acres and 6 acres respectively in Person County, North Carolina. The properties are contiguous. The original purchase price of the 236 acres was \$17,774. The original purchase price of the 6 acres was \$820. The total original purchase price was \$18,594. There are no buildings on the property. According to Progress, the majority of the property was purchased for the impoundment of Lake Mayo and the construction of the steam generation plant. Progress has now determined that the land is no longer required for the generation of electricity.

Progress marketed the property for 30 days. By previous order, we waived public notice of the sale of the property. The Company has accepted the highest offer for the property, which was \$1,205,000.00. A broker's opinion stated that the property is worth \$670,000.00. The gain on sale of the 236 acres is \$1,157,350.24. The gain on the 6 acres is \$29,056.04. The property that was purchased in 1964 is in FERC Account No. 105,

Held for Future Use. The property purchased in 1989 is in FERC Account No. 101, Electric Plant in Service.

S.C. Code Ann. Section 58-27-1300 (Supp. 2004) provides that an electric utility must first obtain Commission approval prior to selling or otherwise transferring utility property with a fair market value greater than \$1 million. Accordingly, Progress applies to the Commission for permission to sell the land in question.

Progress' proposed accounting treatment for this transaction is as follows: FERC Account No. 101 will be credited for the book value of the 1989 property; FERC Account No. 105 will be credited for the book value of the 1964 property; and FERC Account No. 421.1, Gain on Disposition of Property, will be credited for the difference between the book value and sale price.

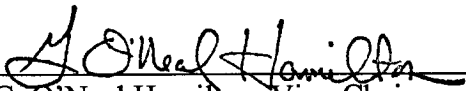
The Office of Regulatory Staff reviewed the proposal, and has no objection to the Company's request for approval of the sale. Clearly, the sale price on the two parcels exceeds both the book value and the appraised value of the land in question. Accordingly, we approve the sale. We also approve the proposed accounting treatment of the transaction.

This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

  
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Randy Mitchell, Chairman

ATTEST:

  
\_\_\_\_\_  
G. O'Neal Hamilton, Vice-Chairman

(SEAL)